

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
SOUTH DAKOTA COSMETOLOGY COMMISSION
500 EAST CAPITOL AVENUE
PIERRE, SD 57501-7175

IN THE MATTER OF

Case M - 2017

**HEADLINES ACADEMY INC.,
License No. SLC-00015**

CONSENT AGREEMENT

Respondents

In consideration of the above matter and in lieu of issuance of a notice of hearing and formal hearing, the undersigned parties do hereby consent and agree to the following:

1. Headlines Academy Inc. ("Headlines") is a licensed Cosmetology School with the South Dakota Cosmetology Commission, located in Rapid City, SD. The School's license number is SLC-00015.
2. On or about August 17, 2017 Executive Director Kate Boyd received a phone call from Mary Ann Rankin stating that she was talking with Headlines about working at the school as an instructor.
3. Ms. Boyd then emailed school director Cricket Rick and attached an Instructor License Application for their use if Headlines Academy decided to hire Ms. Rankin.
4. On or about August 24, 2017 Ms. Boyd again received a phone call from Ms. Rankin. During the phone conversation Ms. Rankin stated that she had been hired by Ms. Rick and had been working at Headlines as an Instructor without an instructor's license since December 2016.

5. Ms. Rankin also stated that many times on Tuesday and Thursday evenings and Saturdays she was the only instructor in the building.
6. On or about September 13, 2017 Ms. Boyd received a phone call from Ms. Peggy Sproat, during the conversations Ms. Sproat stated that she knew the school was in trouble and that they were having trouble staffing the school with both a senior instructor and junior instructor during their evening hours on Tuesdays and Thursdays.
7. Ms. Boyd then reminded Ms. Sproat that a junior instructor cannot be left alone in the school.
8. Ms. Sproat acknowledged that Ms. Rankin had worked at the school for several months without an instructor's license and that as the school owner she is responsible to ensure that instructor licenses are posted.
9. On or about September 14, 2017 Executive director Kate Boyd spoke to Monica Long a former junior instructor at Headlines.
10. Ms. Long stated that she worked at the front desk for two days then shadowed the salon floor for two days. This was prior to her receiving any license from South Dakota Cosmetology Commission.
11. After the two days of shadowing Ms. Long was told by the school to check student services, but not sign-off on the services as she was not yet an instructor.
12. Ms. Long stated that approximately 6-12 times after she received her junior instructor license, she was left alone in the school without a senior instructor supervising her.

13. Office staff requested copies of instructor schedules for Headlines. Upon receiving the copies of the schedule, the following conflicts were found:
- a. Mary Ann Rankin.
 - 1) Ms. Rankin worked at the school from December 12, 2016 through August 11, 2017 without an instructor license.
 - 2) On eight separate occasions during that time period Ms. Rankin was left at the school alone at the school while the school was open to teach students.
 - b. April Sullivan.
 - 1) On February 25, 2017 Ms. Sullivan, who was licensed as a junior instructor, was left unsupervised.
 - 2) Ms. Sullivan did not become a senior instructor until March 10, 2017.
 - c. Monica Long.
 - 1) Ms. Long became licensed in South Dakota until June 15, 2017 and did not receive a junior instructor license until June 27, 2017.
 - 2) Ms. Long began working on the salon floor of the school on June 2, 2017 and continued to work on the salon floor until August 30, 2017
 - 3) Ms. Long worked at the school on twelve occasions prior to her becoming licensed in South Dakota as a junior instructor.
 - 4) Ms. Long did not become licensed in South Dakota until June 15, 2017 and did not receive a junior instructor license until June 27, 2017.

5) After becoming licensed as a junior instructor Ms. Long was left unsupervised in the school on four occasions.

d. Kiriana Marenchin.

1) From September 19, 2017 through September 22, 2017. Ms.

Marenchin worked at Headlines as an instructor without an instructor's license Ms. Marenchin's junior instructors license was created on September 22, 2017.

e. Caroline Vettorazzi.

1) On September 20, 2017 Ms. Vettorazzi worked at the school in the Esthetics class room prior to becoming a junior instructor, her junior instructors license was created on September 22, 2017.

14. The Department finds the above described conduct constitutes grounds for disciplinary action against Headlines Academy Inc in South Dakota pursuant to **SDCL 36-15-25, SDCL 36-26, SDCL 36-15-56(2)(6)(7), and ARSD 20:42:06:10.**
15. Headlines disputes nearly all of the above findings. In an effort to avoid expense and litigation, Headlines agrees to the action detailed herein. Headlines is aware that they may choose to be represented by legal counsel in this matter and is represented by Sara Frankenstein of Gunderson, Palmer, Nelson, & Ashmore, LLP.
16. Headlines is aware of and understands the nature of this matter and has been informed of its right to legal counsel, notice, hearing, and appeal, and that by agreeing to and signing this Consent Agreement, it waives all procedures and proceedings before the Commission to which it may be entitled under state or federal law.

17. Headlines understands that by executing this agreement, the Commission is making a finding that Headlines Academy, Inc. has **violated SDCL 36-15-25, SDCL 36-15-26, SDCL 36-15-56(2)(6)(7), and ARSD 20:42:06:10**. In addition, Headlines Academy, Inc. understands that by executing this agreement, disciplinary action is being taken against it.
18. In return for Headlines' agreement to the provisions of this Consent Agreement, the Commission agrees not to proceed to a formal administrative hearing and agrees that this Consent Agreement will constitute the final agency disposition of this matter.
19. Headlines agrees, in lieu of contesting this matter formally, to voluntarily accept the following terms and conditions for entry of this Consent Agreement:
 - a. Headlines, Lic. #SLC-00015, will be suspended for a period of 60 days beginning October 5, 2018.
 - b. The 60 days of suspension will be held in abeyance for a period of one year, and Headlines Academy Inc's school license will not be actively suspended, so long as the following conditions are met:
 - 1) Headlines will pay \$4,500.00 to the Commission prior to September 5, 2018, as a condition for the immediate reinstatement of the school license pursuant to SDCL 36-15-58.5;
 - 2) Headlines will be subject to additional inspections for a period of one year from the date of execution of this agreement. Ms. Sproat, as owner of the school, will make a onetime payment to the

Commission for the additional expenses of the inspections in the amount of \$1,000.00 by October 5, 2018;

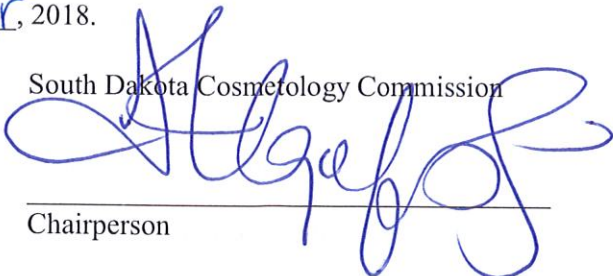
- 3) Headlines will send to the Commission Office, on a weekly basis, instructor work schedules for a period of one year beginning on the day this agreement is accepted by the Commission; and
 - 4) Headlines will comply with all laws and regulations relating to its profession under SDCL chapter 36-15 and ARSD article 20:42 for a period of one year beginning on the day this agreement is signed by the Commission.
20. Headlines agrees that if any of its employees fail to comply with Paragraph 19 and all of its subsections, then the 60 days of suspension being held in abeyance shall become effective immediately upon receiving notice from the Commission's executive director that Headlines is not in compliance with this agreement.
 21. Headlines understands that the terms of this Consent Agreement will be public.
 22. Headlines understands that Commission Staff will notify its Accrediting Agency of their violation of Cosmetology laws and regulations.
 23. Headlines understands that nothing in this Consent Agreement will be deemed to restrict the Commission from raising facts in reference to Headlines outside of those set forth in this Consent Agreement, if there are other material facts related to the matters under investigation that have not been set forth or disclosed herein.
 24. Headlines consents, agrees, and acknowledges that this Consent Agreement must be submitted to the Commission for acceptance or rejection. In the event the Commission rejects the recommendations for resolution by Consent Agreement,

Headlines waives any right to claim prejudice or to request recusal of any commission member by reason of any factual basis submitted to the Commission in an effort to resolve this matter by Consent Agreement rather than by formal proceeding.

25. Headlines understand that this Consent Agreement may be considered in any future licensing procedures with the Commission and for the purposes of determining the appropriate sanctions in any future actions by the Commission for any violations of laws or regulations of the State of South Dakota or for failing to abide by any order of the Commission.
26. Headlines has read, understands, and agrees to this Consent Agreement and is freely and voluntarily signing it. This Consent Agreement contains the entire agreement between the parties relating to the matters referenced in the Consent Agreement. Headlines is not relying on any other representations of any kind, verbal or otherwise.
27. If this Consent Agreement is approved by the Commission, a copy of the executed Consent Agreement will be served by electronic mail on Headlines' attorney, Sara Frankenstein, by electronic mail at sfrankenstein@gpna.com.

Dated this 20 day of September, 2018.

South Dakota Cosmetology Commission


Chairperson

I, Peggy Sproat, a representative of Headlines Academy Inc., have read and understand the terms of this Consent Agreement and I understand that I am **waiving Headlines Academy Inc's due process rights and right to a hearing.** Headlines Academy Inc. is voluntarily entering into this agreement.

Dated this 28 day of August, 2018.


Headlines Academy Inc. Representative
School License No. SLC-00015